



## **Maryland Income Tax Credit for Preceptors Program Frequently Asked Questions**

### **What is the Preceptor Tax Credit Program?**

The Maryland Income Tax Credit for Preceptors Program (Preceptor Tax Credit Program) authorizes a credit against the state income tax for physicians and nurse practitioners (NP) who provide preceptorship, without compensation, in an organized system of clinical experience for medical or NP students in a healthcare workforce shortage area within the state. To receive the tax credit, interested preceptors must apply via the Maryland Department of Health Income Tax Credit for Preceptors application process and meet the program eligibility requirements.

### **What are the Preceptor Tax Credit Program eligibility requirements?**

Applicants are eligible if they:

1. Are a licensed physician who is a preceptor for medical students enrolled in a medical school in Maryland or a licensed NP who is a preceptor for students enrolled in a NP nursing education program that is recognized by the Maryland Board of Nursing (see program website below for more information).
2. Are recognized as a preceptor by a liaison committee on a medical education accredited medical school or program recognized by the Maryland Board of Nursing.
3. Provide community-based clinical training (preceptorship) in a healthcare workforce shortage area within the state (see program website below for more information on workforce shortage areas).

### **How many students must I precept?**

A preceptor must precept a minimum of three students for one complete rotation each to be eligible for the Preceptor Tax Credit Program.

### **How many hours must each student rotation be?**

A student rotation is 160 hours for medical students and 100 hours for nurse practitioner students.

### **What is the application process?**

The application includes three parts:

- Part 1: Applicant information, to be completed by preceptor
- Part 2: Proof of student attendance, to be completed by preceptor
- Part 3: Proof of preceptorship, to be completed by university

All three parts of the application must be submitted to the Office of Population Health Improvement (OPHI) within the Maryland Department of Health (MDH) by email, fax or mail (see program website below for more information about the application and submission).

**When can I apply?**

The application cycle is open from December 20 through January 12. Applications are processed within 45 days on a first come, first served basis subject to the availability of funds.

**Where can I find the application?**

The application is posted on the OPHI website:

<https://pophealth.health.maryland.gov/Pages/taxcredit.aspx>. Any program updates will be posted to the site as well.

**What is the tax credit amount?**

Tax credit certificates will be issued by MDH in the amount of \$1,000 for each student for whom the physician or NP acted as a preceptor without compensation for at least 160 or 100 hours, respectively. Tax credited preceptors will receive a \$1,000 credit per student, for a minimum of \$3,000.

**What are the tax credit limits?**

The tax credit certificate amount for an individual preceptor for any tax year will not exceed \$10,000. The total amount of income tax credit certificates in total may not exceed \$100,000 for any taxable year.

**Are orientation or classroom hours counted within the required rotation hours?**

No. Only community-based clinical training hours are eligible.

**Can I claim the tax credit before receiving a certificate from MDH?**

No. Preceptors must first apply and if approved, MDH will send a certification letter to the preceptor to use to claim credit when filing their taxes. The preceptor must include the certificate when filing their taxes.

**Will preceptors be allowed to carry tax credit certificates from past taxable years?**

No. Tax credit certificates will only be issued for the current taxable year.

**Who should I contact for more information?**

Sadé Diggs, MPH

Coordinator, Office of Workforce Development and State Office of Rural Health

Office of Population Health Improvement, Maryland Department of Health

**Phone:** 410-767-7141

**Email:** [mdh.providerworkforceprograms@maryland.gov](mailto:mdh.providerworkforceprograms@maryland.gov)

**Website:** <https://pophealth.health.maryland.gov/Pages/taxcredit.aspx>